Memorandum



May 23, 1996 Telephone Interview From Nina Hale Frito-Lay File On May 22, 1996, I interviewed by telephone

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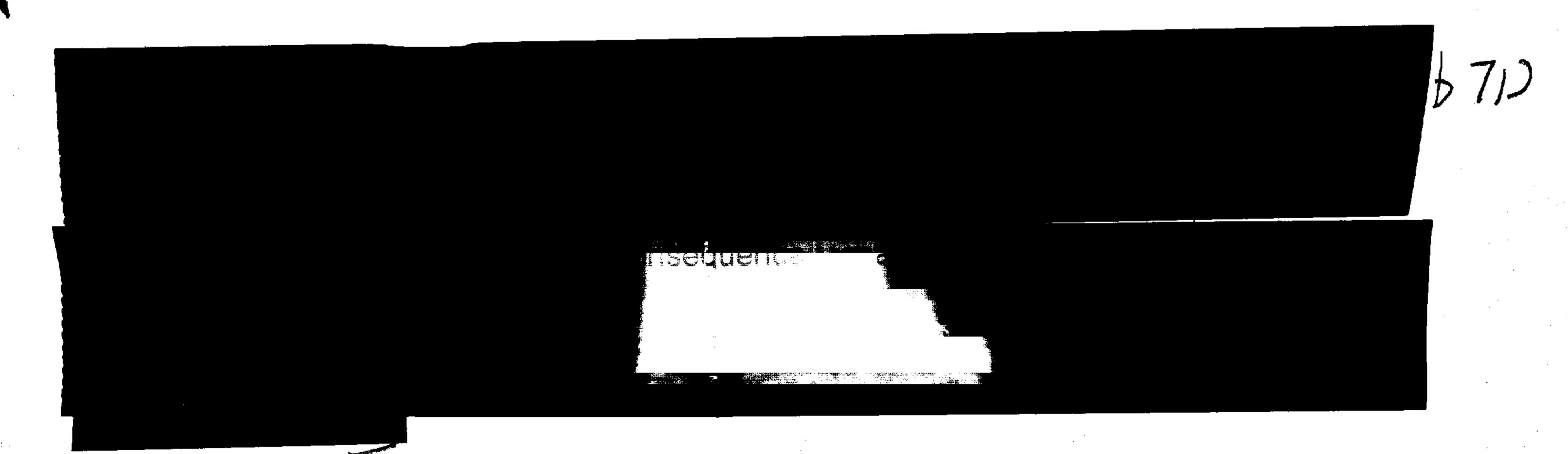
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He said that had done some research and had come up with the conclusion that Frito-Lay has a 17 percent cost advantage over its competitors because of its size. In the snack business, this is critical because generally there is not enough margin to survive.

According to five percent net profit is excellent.

I asked what he knew about Frito's efforts to get an exclusive supply relationship with convenience stores. He said he was well aware of this strategy and



In view, the reason that the regional snack food manufacturers have been going out of business is that they have cut their margins to survive the battle and in order to cover the costs of surviving the battle, they have been dipping into equity. He does not see that as a fruitful strategy.

pay the money for shelf space any more which may mean that life will return to normal. He also said that he will be sending the documents that he put together for the scenario where the Frito shelf captain prepared a schematic that pushed him off the shelf.

And, he also said that if he had any other documentary evidence that he would send it to us.